

PRELIMINARY TITLE REPORT

US DEPARTMENT OF FORESTRY
c/o MALHEUR NATIONAL FOREST
431 PATTERSON BRIDGE RD.
JOHN DAY, OR 97845
Attn: PAM BROWN

August 1, 2006
Report #2
Escrow Number :
Escrow Officer:
Title Number : 0016951
Title Officer : STAN R. FALLEY

Policy or Policies to be issued:	<u>Liability</u>	<u>Premium</u>
OWNER'S STANDARD COVERAGE		\$200.00
EXTENDED LENDER'S POLICY		\$160.00

End. ALTA 9	\$ 75.00
End. 8.1, 116	<u>\$ 0.00</u>
EXTENDED PREMIUM	\$235.00

We are prepared to issue 1992 ALTA title insurance policy(ies) of CHICAGO TITLE INSURANCE COMPANY of OREGON, in the usual form insuring the title to the land described as follows:

See EXHIBIT "A" consisting of one page attached hereto.

Vestee:

THE UNITED STATES OF AMERICA

Dated as of July 10, 2006 at 8:00 A.M.

Schedule B of the policy(ies) to be issued will contain the following general and special exceptions unless removed prior to issuance:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Easements, liens, encumbrances, interests or claims thereof which are not shown by the public records. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
4. (a) Unpatented mining claims; (b) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Water rights, claims or title to water whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
5. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law not shown by the public records.

SPECIAL EXCEPTIONS:

Order No. 0016951

Page 2

Taxes assessed under Code No. 30-1 Account No. 36025

Map No. 23S 30E 23AC Tax Lot 7700

The 2005-2006 Taxes: EXEMPT.

6. Easement, including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein

As granted to: THE City of Hines

Recorded: August 29, 1956

Book/Page: 62/270, Deed Records.

7. Any statutory lien for labor or material which now has gained or hereafter may gain priority over the lien of the insured mortgage.

8. Persons in possession or claiming the right of possession.

NOTE: The property address as shown on the Assessor's Roll is:

104 N. Saginaw Ave., Hines Or. 97738

This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

AmeriTitle

By: _____
Stan Falley

"Superior Service with Commitment and Respect for Customers and Employees"

EXHIBIT "A"

A tract of land in the SW¹/₄NE¹/₄ of Section 23, Twp. 23 S., R. 30 E., W.M., City of Hines, Harney County, Oregon, more particularly described as follows:

Beginning at a point which is N. 27°20'50" E. 175 feet from the point of intersection of the center line of Barnes Avenue West and the West line of Saginaw Avenue in the City of Hines; thence N. 62°39'10" W. 100 feet; thence N. 27°20'50" E. 130.2 feet; thence S. 62°39'10" E. 100 feet; thence S. 27°20'50" W. 130.2 feet to the point of beginning.

A tract of land in the SW¹/₄NE¹/₄ of Section 23, Twp. 23 S., R. 30 E., W.M., City of Hines, Harney County, Oregon, more particularly described as follows:

Beginning at a point which is N. 27°20'50" E. 150 feet from the point of intersection of the center line of Barnes Avenue West and the West line of Saginaw Avenue in the City of Hines; thence N. 62°39'10" W. 100 feet; thence N. 27°20'50" E. 25 feet; thence S. 62°39'10" E. 100 feet; thence S. 27°20'50" W. 25 feet to the point of beginning.